



An Daras Multi Academy Trust

Central Office
Unit 4 Tamar Business Park
Pennygillam Way
Pennygillam Industrial Estate
Launceston PL15 7ED

Central Office Tel: 01566 777503
E-Mail: governance@andaras.org

Chief Executive Officer – W Hermon

13/06/19

Minutes

Finance and Strategic Development Committee Summer 2019 Thursday 13th June 2019 at 9.15am at ADMAT Central Office

Note that actions are highlighted in bold and red, and will be carried forward to the next meeting and questions or challenges during the meeting are highlighted in bold and blue

1. **Welcome and Apologies**

Present: Sally Cooksey, Graeme Barriball, Tim Woodward, Peter Hague, Will Hermon

In Attendance: Governance Officer, Emma Gilbert (CFO), Jo Callow

2. **Declarations of Interest/Pecuniary Interests relevant to this Agenda** (Clerk)

None declared

3. **Confirm minutes of previous FSD Spring Meeting (4th February 2019) and Matters Arising**

- Produce and circulate monthly KPI reports to FSD Committee (EG/TM). *As previously notified, within the FSD committee folder, there is a sub-folder called 04 Monthly Reports (KPIs) – as and when EG makes them available, TM will load into this folder. All Directors have sight of these reports should they wish to see them.*
- Options for making MAT funds 'work harder' (WH/EG). *Not done yet until budgets completed but EG has been looking at interest levels for bank accounts.*
- NP Sewage System expenditure approval to full Board (WH). *Directors agreed to appoint a project manager (expert) to look at the issue along with the woodworm (noting access due to bats) and obtain 3 quotes. WH and EG will liaise with ESFA reference emergency funding. WH provided a brief update and the cost may be lower than first thought. External bids will still be sought.*
- Proposal to rent downstairs office space to full Board (WH). *Directors agreed it was a minimal cost (compared to other projects), that income will be generated to cover the costs (especially given the lack of training opportunities in this area) and that the space will also be used for children (off site interventions for example). That said, this does need to be communicated properly. Directors agreed that WH can pursue the option of leasing the additional office. NS has put a programme together to offer services to other schools that will generate income.*
- IT Plan and cost approval to full Board (WH). *Directors agreed to lease the equipment rather than purchase. Directors approved WH to negotiate with one particular company that has higher specification equipment to negotiate a price closer to the lower quote, and then to go ahead and lease the equipment. Equipment now coming in.*

- Add MAT Strategic Growth Plan meeting to full Board agenda (TM). Directors will hold a separate meeting to discuss this. *A strategy meeting will now take place immediately prior to the full Board meeting starting at 9.30am on 1st July 19.*
- Critical incident policy to carry forward to full Board (WH/TM). *Approved.*

Committee agree the minutes and the Chair signed a copy.

4. Confidential Agenda Items

None.

5. Review Risks and Improvement Update

a. MAT Finance Risks

WH highlighted the list of musts from the AFH. WH noted the latest risk register with updates from May 2019. Risks 19, 20 & 21 will always be an issue. Funding levels per pupil in Cornwall remain low. Biggest risks remain funding, standards and compliance; GB noted that the finances are now more under control. No amendments to the risk register from the FSD.

b. MAT Improvement Plan - Part 2 – no.s 1, 3 & 4

WH highlighted the elements relevant to finance. Reserves pooling still needs to be completed. Staffing structures across the MAT will need to be looked at annually because the funding situation is not proving to be consistent year on year. The Directors discussed the financial situation in MATs compared to schools that are not in a MAT.

6. Review Income and Expenditure Against Planned Budget

a. Review Management Reports (in-year budget monitoring)

EG discussed staffing at CG & LT; SEN funding needs despite no SEN funding; dealing with security & access issues; NP funds looking reasonable but they are not contributing an amount to the central costs that matches the support they are having from central; SC has had a positive OFSTED but maintaining standards is tougher with less staff; SSCA has some contextual challenges to deal with but is secure financially; Wer is secure, helped due to a rise in numbers but there are some premises issues that do need to be dealt with; WHA has some temporary staff pay issues from this years required teaching staff adjustments that will resolve in time.

SC needed to leave the meeting.

Overall, this year the finances are in a better place than last year. Although the staffing review last year was not an easy process, it has allowed the budget to be used more intelligently where it is needed. EG talked through the financial benchmarking and compared it with previous years. In most MAT schools, total annual spend per pupil has declined since 2016/17 due to decreasing real term levels of income in 18/19. The directors challenged the CFO on various matters and the CFO provided answers.

b. Approve Expenditure of sums over agreed Financial Regulations

None.

c. Approve recommendations for BoD for further expenditure for Capital Funding Projects

Committee required to approve any costs associated with work for submitting CIF bids; other than NP sewage project which has been approved already there are no others.

d. Responsible Officer Report

WH & EG highlighted the Responsible Officer report for this year. The main areas discussed were cash flow; purchase orders [GB challenged why SSCA is not using the same system, WH noted that this will be dealt with]; creditor control account reconciliations (was due to staff absence); fixed asset register that needs more detail; detail in management letters [followed up by Audit committee]; funds brought forward on the PS Financials [EG explained the issue was a system glitch and it has since been sorted]; frequency of meetings; register of interests [governance officer provided detail]; debtor reports and calculation of top slice policy [this is a new requirement from DfE] – in the MAT the policy is to be flexible in order to help to the schools out where they can each year. Overall, a positive report which showed internal controls are relatively effective.

7. Receive and Scrutinise Draft Annual Budgets

WH discussed the draft budgets for 19/20 that have initially been set with regard to what each school has requested but unfortunately there are huge challenges to delivering this. Current forecast does not give most schools enough of an in-year reserve to cover contingencies. The instructions from the DfE is that individual school funding levels will stay the same over the next 3 years but inflation costs will rise. EG noted that we should set a deficit budget for year 2 and 3 to show that it isn't sustainable but the ESFA will not expect this to be done.

PH challenged how there can be an 'unfunded 2% pay rise'? EG explained that this is a pay rise that needs to be allocated to teachers but the government is not providing additional funding for it.

CG

The staffing costs at CG are high for the size of the school. **Directors challenged the cost of the Headship and admin compared to all other schools in the MAT, particularly those of a similar size.** *The Directors agreed that there is a need to carry out a review and restructure the staffing at CG including the Head Teacher role, admin and TA support to ensure the costs are sustainable given the size of the school. The LGAB will be consulted.*

LT

The requested budget forecast is too tight and does not leave enough reserve for contingency. To meet the staffing levels the school has requested for next year leaves them in deficit and so this draft budget cannot be set as the final budget for the school for 2019/20. *WH and EG to look at this budget in depth and discuss with school leadership and LGAB.*

NP

Current budget draft for 19/20 is as good as it can get with the finances available; any less and the school will not be able to operate effectively.

SC

With minor manipulation, the budget should be workable and leave enough of an in-year contingency for the school. *WH and EG to complete final review of this budget draft.*

SSCA

With minor manipulation, the budget should be workable.

Wer

In a better position compared to NP due to pupil numbers, and budget should be workable although it is tight. The budget allows for HoS to spend a little more time carrying out Head duties at NP&W and less time in the classroom as requested by the LGAB.

WHA

The budget is tight and the school is carrying some costs for the MAT along with the other larger schools.

Central Costs

Budget is doable if some reserve funding is utilised and extra income opportunities are being sought to help offset costs.

8. Review MAT Financial Scheme of Delegation

One amendment regarding the number of quotes required for work to be done. CFO recommended that all work should receive 3 quotes as standard.

9. Agree KPIs for Next Academic Year

Staffing costs to stay at 75% for larger schools and 80% for smaller schools. Others as before.

10. Review Tendering and Signing of Contracts

A director required to assist with tendering process for IT and school meals. PH will do the IT tendering (subject to availability) and TW will do the school meal contract.

11. Review MAT Website Compliance

Website compliant. New MAT website template is being completed ready for Sept 19 launch.

12. Policy Review

Staff Expenses and Purchasing – approved.

Capitalisation and Depreciation (minor amendments required in 2019) – approved.

13. DONM

Dates of next academic year will be confirmed following outcome of Director committee review.

Meeting closed at 11.10am

TJH Martin

Governance Officer

Distribution List:

G. Barriball – Director (Chair) T. Woodward – Director (Vice) S. Cooksey – Director P. Hague - Director	W. Hermon – CEO Director E. Gilbert – CFO J. Callow – Ex Officio Observer
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